



## **MINUTES OF THE CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK**

For the meeting held on  
February 26, 2013  
980 9<sup>th</sup> Street, Conference Center, 2nd Floor  
Sacramento, California 95814

Chairman Jimenez called the meeting of the California Infrastructure and Economic Development Bank (I-Bank) Board to order at approximately 1:31 p.m.

### **1. Call To Order and Roll Call.**

The following Board members were in attendance:

Augustin Jimenez represented the Acting Secretary of the Business, Transportation and Housing Agency.

Katie Carroll represented the State Treasurer.

Richard Woonacott represented the Secretary of the State and Consumer Services Agency.

D. Everett Rice, Governor's appointee.

The following Board member was not in attendance:

Director of the Department of Finance.

The following I-Bank staff members were in attendance:

Roma Cristia-Plant, Thomas Tengan, Tara Dunn and Diane Cummings.

### **2. Executive Director's Report.**

Assistant Executive Director Ms. Cristia-Plant gave the Executive Director's report and reported the following:

- The I-Bank General Counsel prepared an assignment document that allowed then Executive Director Stanton Hazelroth to assign Executive Director authority to I-Bank staff as allowed pursuant to the I-Bank Act. The assignment has allowed continuity in business operations during the vacancy of the Executive Director position, and is expected to remain in effect until it is revoked or affirmed by the new I-Bank Executive Director.
- The I-Bank is to issue approximately \$60 million of State School Fund Apportionment Lease Revenue Bonds for the Inglewood Unified School District pursuant to SB 533. The bonds are expected to be issued in mid-April. A site visit was conducted on February 1<sup>st</sup> at which the bond team discussed the transaction with school officials and toured school facilities that may be potential leased assets for the transaction. Staff expects to bring the proposed bond transaction to the Board for consideration at the March meeting.
- Staff received several proposals from underwriters advising of a possible bond refunding opportunity for two of the three series of Infrastructure State Revolving Fund (ISRF) Program bonds. The total savings are estimated to be in the \$10 million range. Staff will consider the refunding opportunity after the Inglewood bonds are issued.
- The \$7.5 million Phelan Piñon Hills Community Services District ISRF Program loan the Board approved last November was closed and fully funded in December. Also, staff's

concerted marketing efforts along with improving economic activity have resulted in increased application activity in the ISRF Program. Staff is projecting that the Board will consider a couple of applications in the next several months

**Consent Item:**

**3. Approve minutes from the meeting held on December 11, 2012.**

Chairman Jimenez's determined that the minutes from December's Board meeting will be held over until the next Board meeting so that there will be a quorum of those members who were in attendance at the December meeting to vote on the minutes.

**Action Item:**

**4. Resolution No. 13-01 approving issuance of revenue bonds in an amount not to exceed \$165,000,000 to refund the outstanding California Infrastructure and Economic Development Refunding Revenue Bonds (The J. Paul Getty Trust) Series 2007-A-1 and Series 2007-A-2, whose proceeds were originally used to finance an eligible project located in the greater Los Angeles area.**

Ms. Dunn presented a staff report describing a request to finance up to \$165 million in tax-exempt 501 (c)(3) revenue bonds for The J. Paul Getty Trust non-profit corporation to be used to refund its Variable Rate Revenue Bonds, Series 2007-A-1 and 2007A-2, previously issued by the I-Bank. Ms. Dunn explained that the Series 2007-A-1 and A-2 Bonds, together with the Series 2007-A-3 and A-4 Bonds, were used to refund the J. Paul Getty Trust Taxable Bonds, Series 2003. The taxable Series 2003 Bonds were used to finance and refinance a portion of the acquisition, construction, renovation, improvement and equipping of Getty facilities, including the acquisition of objects of art. Ms. Dunn further explained that the purpose of the request to authorize the issuance of the 2013 Bonds is to provide the Getty Trust with enhanced flexibility to manage its cash flow by restructuring its tax exempt debt and add a new interest rate mode not included in the Series 2007 Bonds. Ms. Dunn continued and stated that the 2013 Bonds will be issued as variable rate refunding bonds and are expected to be rated AAA by both Standard and Poor's and by Moody's, based on the financial strength of the Getty Trust. Ms. Dunn concluded her report by stating that the programs of the Getty Trust continue to provide educational, scientific and cultural resources to over 1.6 million visitors each year and that the secretary's copies of bond documents are available for review. Ms. Dunn then introduced Mr. John Meyers from Orrick, Herrington & Sutcliffe, bond counsel for the transaction. Mr. Meyers noted that this transaction is the final in a series of refundings to restructure the Getty Trust's bonds from "put bonds" to a more flexible structure that no longer requires a liquidity facility.

Chairman Jimenez called for questions or comments from the Board or the public. Hearing none, he entertained a motion to approve Resolution No. 13-01. Mr. Rice moved to approve the resolution and Ms. Carroll seconded the motion. The Board unanimously approved the resolution.

**Non-Action Items:**

5. **I-Bank Monthly Investment Transaction Reports:**
  - a. **Month Ending December 31, 2012.**
  - b. **Month Ending January 31, 2013.**
6. **I-Bank Quarterly Investment Report for Quarter Ending December 31, 2012.**
7. **Actions taken by the I-Bank's Executive Director pursuant to authority delegated by the Board:**
  - a. **In connection with an Infrastructure State Revolving Fund Program Facility Lease Agreement #CIEDB-01-01 (Agreement) executed on September 1, 2000, between the I-Bank and the Orange County High School of the Arts (Borrower) for the purpose of financing the Orange County High School of the Arts Educational Facility, the Assistant Executive Director, as Assignee of the Executive Director, approved an Agreement amendment to change the Borrower's name to Orange County School of the Arts consistent with a resolution of the Borrower's Board of Directors adopted August 15, 2012.**
  - b. **In light of the State's dissolution of all redevelopment agencies (Dissolution) and the associated changes in Community Redevelopment Law (Law Change), for the sixteen (16) outstanding Infrastructure State Revolving Fund Program Tax Allocation Loan Agreements (Agreements), the Assistant Executive Director, as Assignee of the Executive Director, approved a waiver and modification of those provisions that, due to the Dissolution and the Law Change, with which borrowers can no longer comply.**

In response to a question from Chairman Jimenez for a summary of the action taken in Agenda item 7b, Mr. Tengan described technical amendments to the sixteen ISRF Program tax increment loan agreements that involved the waiver and modification of provisions that could no longer be complied with due to the dissolution of redevelopment agencies, and stated that the amendments were done to ensure the borrowers would not be in technical default. He further explained that the amendments also require additional information from the successor agencies. Mr. Tengan confirmed for Chairman Jimenez that the waivers, modifications and additional information required of tax increment borrowers did not involve any policy decisions by the Board.

**Discussion Items.**

Chairman Jimenez called for any discussion items; there was none.

**Public Comment.**

Chairman Jimenez called for any public comment; there was none.

**Adjournment.**

Chairman Jimenez declared the meeting adjourned at approximately 1:44 p.m.